

The AMERICAN OBSERVER

A free, virtuous and enlightened people must know well the great principles and causes on which their happiness depends. — James Monroe

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THE WORLD AT PEACE FOR THIRTEEN YEARS

Armistice Day Is an Occasion for Reviewing Progress Made Since War Closed

MANY PROBLEMS STILL REMAIN

Neither the Worst Fears Nor Brightest Hopes of 1918 Have Been Realized

Armistice Day has come again, and it offers an appropriate occasion for looking back over the thirteen years of peace to see what progress has been made since the smoke of battle cleared away, and what problems left by the war still remain to harass the peoples of the world. It was with mingled hopes and fears that millions thronged the streets thirteen years ago to celebrate the conclusion of the war. It is interesting now to look at these hopes and fears in retrospect and see to what extent they have been realized.

The dominating emotion on the first Armistice Day was naturally one of relief. Those whose memory does not extend to the war period can scarcely imagine the anxiety, the fear, and the horror which filled the minds of men and women as the days and years of carnage and of waste dragged on.

When peace was proclaimed, every one knew that whatever the future might hold, there was at least to be a breathing spell, and hence the rejoicing which throughout the world marked November 11, 1918.

Hopes of 1918

But to many people there seemed a real hope that a new and better era might be dawning. The problem of creating a better world order seemed simple in those days. For months the people of all the allied countries had been taught that the great enemy to democracy, to peace, to civilization itself, was German militarism. The one supreme objective was the defeat of that power. Now the malign influence was thwarted. Germany, which had inspired fear and terror, lay crushed and helpless. The war had been won. The nations which had stood shoulder to shoulder in combating the German menace were to have things their own way. They had said that they were fighting a "war to end war." It had been said by the American president, Woodrow Wilson, that the war was being fought "to make the world safe for democracy," that is, to create conditions in the world under which militarism would not be necessary—under which democracies, always relatively inefficient in carrying on wars, would be secure.

There were many, then, who expected that as soon as the terms of peace were agreed upon the nations would materially reduce their armaments and that a spirit of good will would prevail. It was thought that the energy of governments, which heretofore had been



THIRTEEN YEARS LATER—BUT THESE GUNS HAVE NOT BEEN SILENCED

directed toward protecting their peoples from other governments, might turn to the task of establishing social justice among their own people. An unexampled period of harmony and progress and prosperity might then follow.

Other thoughtful observers of affairs were less hopeful. In fact some of them were appalled at the thought of what might happen. These people felt that peace had probably come too late. They feared that the nations could not recover from the dislocations of industry which the war had brought about. They knew that after a while millions upon millions of soldiers would be brought back from the fields and camps. Places would have to be found for them in the industrial life. At the same time the excessive demands for materials which the war had created would cease. This would close many factories and mills. Production would have to be cut down. How then could industry absorb the millions of returning soldiers?

Reasons for Fear

Another problem was that of revolution. The Russian government had fallen. It was in the hands of socialists, and this was no ordinary revolution. It was not merely the overturning of a government. It was the overturning of an entire social order.

The Bolsheviks were setting out to dispossess all owners of property. They were planning that the state should take charge of all the factories and stores and shops. Nothing so threatening to governments and property had occurred in the world since the French Revolution.

There was danger, too, that Bolshevism, or Communism, might spread to other lands. It seemed to be gaining a foothold in Italy and to be extending its influence into central Europe. The German government had fallen and all was chaos in that country. There seemed a doubt as to whether order could be restored.

Add to all this the fact that debts had been created by all the nations—debts the like of which history furnished no examples. Could Germany be made to pay reparations for the war? Could the allied nations pay the debts which they owed to each other? Would the burden of taxation be so great that the peoples could not bear it?

Trade and commerce were everywhere disorganized. Old markets had been lost. There seemed a doubt as to whether the economic life of nations could be resumed. There were thoughtful people who feared a period of disorder threatening modern civilization itself.

(Concluded on page 7, column 1)

HOOVER RESENTS NAVY LEAGUE'S CRITICISM

Organization's Recent Statement Rebuking President's Policies Stirrs His Wrath

COMMISSION OF INQUIRY NAMED

Full Answer Will Be Made to League's Charges and Apology Demanded

Although Congress has not yet come into session, Washington, usually calm during the absence of senators and representatives, has become the scene of a bitter and noisy controversy. A battle of words is being waged with more than ordinary vehemence between President Hoover and an organization known as the Navy League of the United States. Aroused over attacks launched against his policy of naval economy; attacks which contained charges of "abysmal ignorance" and of efforts to "starve the United States Navy," the president is determined to force the Navy League to make a public retraction of its statements. Mr. Hoover, deeply resenting the "untruths and distortions of fact" of which he believes the Navy League's spokesman, Mr. Howard Gardiner, its president, to be guilty, has appointed a committee to make an investigation. He has announced that afterwards he will expect "Mr. Gardiner to make a public correction of his misstatement and his apology therefor."

The Background

What events led to the outbreak of this heated controversy? In order to get at the facts we must go back to September 28, when President Hoover requested the Navy Department to make a cut in its budget for purposes of economy. The department's budget for the next fiscal year, (July 1, 1932, to June 30, 1933), called for naval expenditures totalling \$401,000,000. In accordance with Mr. Hoover's wish, this was reduced to \$342,000,000. By sacrificing the difference of \$59,000,000 the navy will be obliged, during the coming fiscal year, to forego the construction of new ships, with the exception of five cruisers for which contracts have already been let. It is estimated that there will have to be a reduction of about 3,000 sailors and 600 marines, and shipping operations will have to be curtailed.

In addition to this, the government has accepted the proposal of the League of Nations, that the countries which are to take part in the coming disarmament conference, join in an arms truce of one year's duration. The acceptance is contingent upon a like acceptance on the part of other nations. As several nations at this writing have not as yet pledged their adherence, the League of Nations' plan to have no new naval construction take place from November 1, 1931, to the same date a year hence, has not gone

into full effect. Nevertheless, should the truce come into force, there will be no further construction of naval vessels in this country for a period of at least one year. Therefore, naval building is restricted from two sources—on the one hand from the president's economy policies and on the other from the League of Nations' arms truce.

In Support of the President

There are a number of reasons why the administration has taken such steps. In the first place, owing to the large treasury deficit, economy is held to be highly desirable. It is contended that the reductions in the navy's budget, contemplated by the president, will not harm that branch of the government. No ships will be withdrawn from service, and the personnel to be retained is expected to be adequate. From an international standpoint it is maintained that naval building at the present time can only have harmful effects. The world is preparing for a great disarmament conference to be held in Geneva next February. It is vital to future international peace that some progress toward disarmament be made at that meeting. Its failure, because of rivalry between nations, might possibly lead to war. It is argued that now is the time to call a halt on the construction of vessels armed for warfare; that from such a policy good will must certainly result with a most favorable reaction at the conference. Lastly, those who sympathize with and support the president maintain that the United States is the strongest nation in the world. Her financial and economic supremacy is such that no nation would dare make aggressions against her. Warships are not necessary to impress this fact upon the world. There is not the slightest danger of war for this country in the future, as it can be foreseen.

These are the arguments which have been advanced in support of Mr. Hoover's policies. They have been challenged by the Navy League, criticism from which has been productive of severe rebuke by the president. Before examining the statements which the Navy League has made it may be well to make an inquiry as to its identity. With respect to this the League itself states:

The Navy League

The Navy League of the United States is an organization of civilians that, for over a quarter of a century, has specialized on accurate information as to naval matters. Its policies are formulated independently by its officers and directors, who are all civilians and, excepting the Executive Secretary and the Assistant Treasurer, serve without pay.

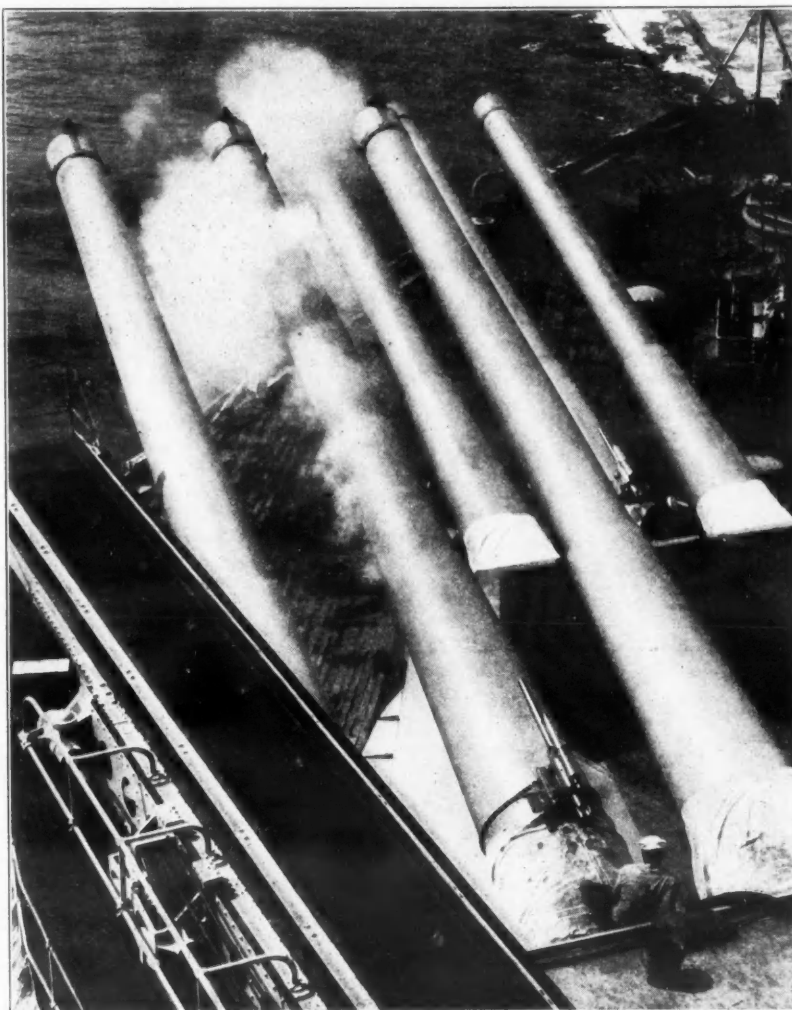
The principal activity of the League is to disseminate facts bearing on naval matters to the press. Whenever it seems appropriate, these are supplemented by comments.

The Navy League has a membership of about 4,000, none of whom, it claims, is enlisted in the United States Navy. It strongly advocates our building up to the limits set down by the London Naval Treaty. It will be recalled that by the London Treaty of 1930, the United States, Great Britain and Japan agreed that for a period of six years they would maintain a ratio of 10.0-10.2-6.8, which means that during the period from 1931 to 1936, for each 10 tons allowed the United States, Great Britain should not have more than 10.2 tons and Japan not more than 6.8 tons. Total tonnages allowed, were: for the United States 661,200, Great Britain 676,700, and Japan 448,050. The three nations did not pledge themselves to build up to these limits, but merely not to exceed them.

The Navy League has stated officially that on October 1, 1931, we had in ships, built or building, 69 per cent of

our quota, Great Britain had 88.3 per cent and Japan had 102.0 per cent. Our naval tonnage was slightly higher than that of Japan. That organization insists that we are falling behind other nations in the matter of naval construction, and that a naval holiday will place us in a worse position than we are at present. It states that whereas on November 1, 1931, the ratios for the United States, Great Britain and Japan, were 10.0-13.5-10.5, (for every 10 tons we now have, Great Britain has 13.5 and Japan 10.5), the ratios November 1, 1932, will be, if no new ships are built, 10.0-14.7-11.9. The change in ratios is due to the fact that after a vessel has been so many years in service it is declared to be obsolete and can no longer be used. It is contended that this country will have more ships

commitments preparatory to the London Naval Conference of 1930." The Navy League charges that at the London Conference President Hoover's delegates made important concessions to Great Britain and Japan in the matter of cruiser types and submarines. It contends that the president has exhibited "abysmal ignorance" in proposing out of "humanitarian and pacific intentions" that sea-borne food supplies should be declared immune from seizure in time of war. This, in the opinion of the League, would make "bigger and bloodier wars." It is thought that to allow an enemy to secure food can only serve to strengthen that enemy and to prolong the conflict. Finally, the League claims that the president, prior to the London Conference, held up the construction of five cruisers as a



© Ewing Galloway
AN UNUSUAL VIEW OF AN AMERICAN NAVAL VESSEL
Whether the construction of more ships of war at this time is required for purposes of adequate national defence is a point at issue between President Hoover and the Navy League.

becoming obsolete next year than either Great Britain or Japan. It is because of this that the Navy League advocates naval building. It insists that unless we build up to treaty limits we will not be in a position to negotiate when another conference is held. It pronounces itself to be in favor of "a naval holiday along any rational lines that will definitely help the United States fleet to approach nearer to parity with the British fleet and to the ratios of the London Treaty with that of the Japanese, and thus tend to close the existing gap."

Criticism

To these statements the Navy League adds the following accusations: Prior to the London Conference, when Ramsay MacDonald, the British prime minister, visited President Hoover, certain agreements were reached which "have never been divulged in their entirety," which suggests why the administration refused to allow even an executive session of the Senate Committee on Foreign Relations to "see the full record of its negotiations and possible com-

"friendly gesture," a gesture that was not "copied by other prospective participants." The League closes its statement with the accusation that the president is striving to "restrict, to reduce and to starve the United States Navy."

Refutation

These are the statements made by the Navy League which the president intends to have investigated. Secretary of State Stimson has already denied that any secret agreements were made between Mr. Hoover and Mr. MacDonald. Secretary of the Navy Adams has said that the "pamphlet is full of misleading statements" and has expressed his deep resentment of the attack made on the president. The National Council for the Prevention of War has taken issue with the Navy League, saying the British are spending less than we are for new construction.

The facts are to be sifted by the president's committee of five men, of which three are Navy League members. The five commissioners, as classified by the *Baltimore Sun* are:

Rear-Admiral Hugh Rodman, U. S. N. (retired) whose last command was the Pacific fleet and who in recent Navy Day addresses described himself as a "dyed-in-the-wool propagandist for parity."

John Hays Hammond, of Washington, league member, retired mining engineer and one-time prominent candidate for the Republican vice-presidential nomination.

Eliot Wadsworth, of Boston, league member, assistant secretary of the treasury under Harding and Coolidge administrations and leader in United States Chamber of Commerce activities.

William R. Castle, Jr., under-secretary of state by appointment of President Hoover.

Ernest Lee Jahncke, league member, assistant secretary of the navy and prospective successor to Secretary Adams, should the latter retire.

The press has contained varying comment with reference to this controversy between President Hoover and the Navy League. His action has been both approved and condemned. The *Baltimore Sun*, a newspaper strongly in favor of disarmament, takes the following position:

Why on earth does the President get into such a temper over the funny and foolish Mr. Gardiner of the Navy League? The worst that Mr. Gardiner said was that the President lives in the depths of "abysmal ignorance" of the functions and purposes of the Navy. But every militarist since the beginning of time has said that about every civilian who would not pay attention to all the militarist's alarms. If many millions of ordinary civilians have chuckled and gone on trying to curb the militarist's pretensions, why cannot the President? And if the President cannot help getting mad, why cannot he indulge himself in a swift kick and let things go at that? Why must the President announce the appointment of another commission, and at the same time announce what the findings will be and the course that the unfortunate Gardiner will thereupon follow—all of which really suggests Mr. Gardiner or any other strong-arm hero at his best?

Many of the editors of the country are taking a position similar to that which the *New York Times* expresses in these words:

No sensible American wishes to see our naval defense dangerously weakened. On the other hand, all sensible Americans know that there are other ways of maintaining a reasonable balance of naval power than by feverish building. It is true that we have not built up to parity with England in the item of cruisers, as provided by the London Naval Treaty. It also appears to be true that President Hoover aims temporarily to go on only with the ships now actually under contract. But he would, of course, maintain that this policy of retrenchment can be carried out over a period of years only by agreement with other nations. It has been made perfectly plain at Washington, for example, that if our government assents to the proposal of a naval holiday for one year, it will be explicitly on condition that the other interested countries also suspend building ships of war.

FIFTY MILLION LISTENERS

The development of radio in the United States has been so rapid that there were 12,563,000 receiving sets in the country in 1930, according to figures recently made public by the Census Bureau. It is estimated that 41 per cent of the population—more than 50,000,000 people—were able to listen to the programs last year. The number of sets and listeners has undoubtedly increased considerably since that time. The tremendous growth of radio during the past decade has been most phenomenal. It was just eleven years ago this month that the pioneer broadcasting station, KDKA, went on the air to announce the returns of the presidential election of 1920. Today there are 615 stations throughout the country, the excellent programs of which are enjoyed over the length and breadth of the land. Eleven years ago, there were no loud-speakers. The privileged class which was permitted to "listen in" had to use the head-phones, a device long since considered old-fashioned and obsolete. The idea of electric receiving sets was unheard of. Today the entire family can sit and conveniently listen to renditions by the world's greatest artists.



STATE OPENING OF PARLIAMENT IN LONDON

When a new Parliament convenes, the King drives from Buckingham Palace to the Parliament building with medieval pomp. He ascends the throne and reads an address to the Parliament as kings used to do in the days when they governed as well as reigned.

© Wide World Photos

Parliament Opens With Regal Ceremony; Party Situation Full of Interest

An interesting ceremony, which, with all its pomp and pageantry, reminded spectators more of the Middle Ages than of the sober customs of the twentieth century, occurred in London on November 10. The House of Commons, which had been elected two weeks before, and the House of Lords assembled for the new session of Parliament. At noon the king drove in a gorgeous procession from Buckingham Palace to the Houses of Parliament. Wearing the kingly robes he ascended the throne and delivered the address to his Parliament.

To outward appearances it was the kind of ceremony which has been enacted at the openings of Parliaments for centuries. But while the outward forms were the same, the inner realities differed from those incident to the king's addresses of the older days. The address from the throne nowadays is not written by the king. It does not necessarily represent his sentiments. It is written by the prime minister, who prepares it after consultation with his cabinet. It represents the position of the "government," which is the term used in England for what in America we call the "administration." It may be compared with a president's message to Congress.

When the king lost his right really to govern the nation, no changes were written into the laws denying him his former privileges. Parliament did not enact a law declaring that thereafter the policies of government should be shaped by the prime minister and his cabinet and that these officers should be dependent for their positions, not upon the will of the king, but upon their being able to obtain the support of the majority in the House of Commons. The king continues to deliver his address in the old form. But without an alteration of the law, the changes have come about. It has simply become a custom, from which no king dares to depart, that while he still delivers the message, it is written by his ministers, and that these ministers shall be responsible, not to him, but to the House of Commons. Thus power has

slipped away from the kings, but the old forms remain. That is why the English people witnessed the interesting ceremony, a portion of which is shown in the picture on this page.

There are 615 members in the House of Commons. With all but two seats accounted for, the standing of the parties is as follows: Conservatives, 472; National Liberals, 67; National Labor, 13; Labor Opposition, 15; Lloyd George Liberals, 5; Independents, 6.

The Conservatives are strong enough to put through a partisan policy if they care to, but they pledged themselves during the campaign to cooperate with the National Liberals and the MacDonald Laborites in the formation of a "national" government, rather than a partisan one. Their leader, Stanley Baldwin, is a personal friend of MacDonald and he will no doubt stand for a policy of moderation. There are, however, extremists in the party. Among them are Winston Churchill, former chancellor of the exchequer, and Neville Chamberlain. These men have a large following which insists upon carrying out thoroughgoing Conservative policies, such as the adoption of a protective tariff program, a less conciliatory policy toward India and a less sympathetic attitude toward the unemployed than MacDonald could reasonably accept. It will be very hard for MacDonald to lead as the head of the government, when the Conservatives, many of whom are extremists, have such a tremendous majority.

Ramsay MacDonald

ald, however, will be prime minister for a while at least, even though he has but a dozen party followers. He has appointed a cabinet consisting of Conservatives, of such Liberals as choose to cooperate in the national government, and of those Laborites who remained with him.

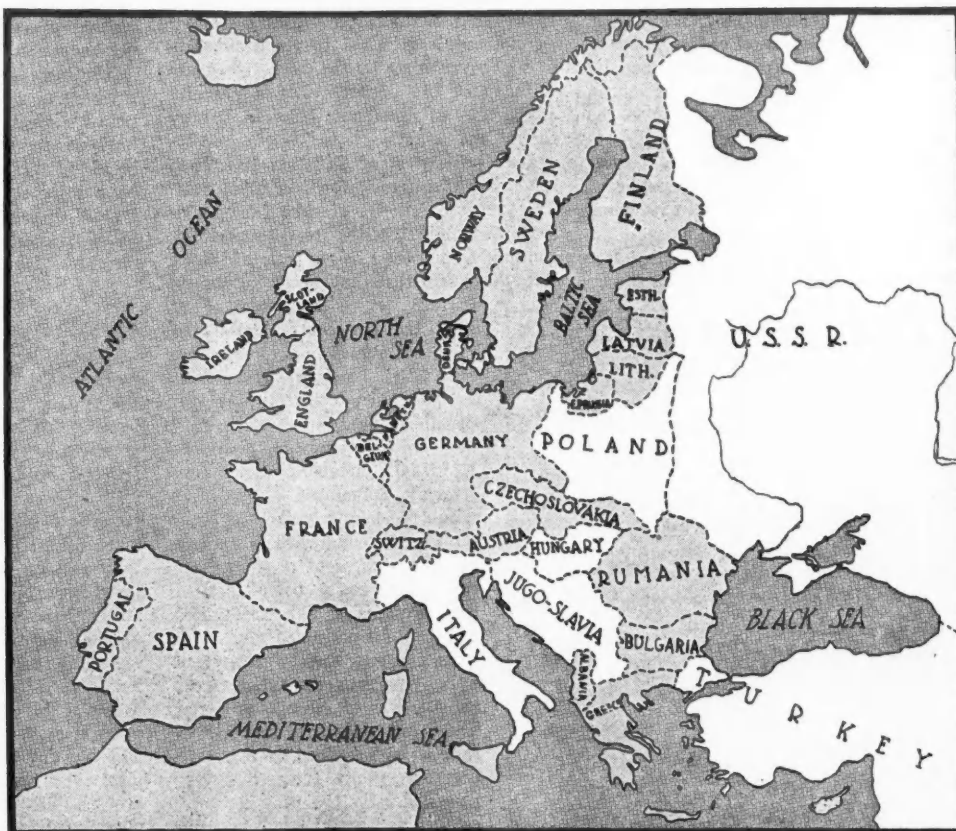
David Lloyd George, who until this fall was the leader of the Liberal Party, has but four followers in the new House of Commons. One of them is his daughter, another is his son, a third is his son's brother-in-law. The Labor Party is practically without leaders, as nearly all its leaders failed of election to the House of Commons. It is possible that Lloyd George may assume the leadership of that part of

the Labor Party which is in opposition to the MacDonald government. He is, however, old and broken in strength.

We may expect interesting political developments as the new House of Commons, with its new leadership, wrestles with such domestic problems as the tariff, the return to the gold standard, the care of unemployed, and with such foreign issues as those relating to India and the arms conference.

DICTATORS CELEBRATE

As our map indicates several European governments have disdained democracy and established dictatorships. The Russians celebrated the fourteenth birthday of their revolution on November 7. The Italian Fascists celebrated the ninth anniversary of the seizure of the government by their forces on October 28. A new book on these dictatorships is discussed on page five.



THE DICTATORSHIPS OF EUROPE

The Communist leaders are dictators in the Union of Soviet Socialist Republics (Russia). Mussolini and the Fascists rule Italy; Pilsudski dominates Poland; Mustapha Kemal Pasha, Turkey. There is some doubt as to the status of Hungary and Yugoslavia owing to recent changes in government.

THOUGHTS AND SMILES

A salesman at Olympia says motorists are demanding new color schemes. Pedestrians, however, will stick to the black-and-blue combination.
—London PUNCH.

Mussolini may be, as stated, a very fine violinist, but he's no fiddler.
—Philadelphia INQUIRER.

In a modern home, a switch regulates everything but the children.
—Fort Wayne NEWS-SENTINEL.

Better to remain silent and be thought a fool than to speak and to remove all doubt.
—Abraham Lincoln.

And speaking of the competition the railroads are having, the Wichita Eagle remarks that the banks are carrying more people than the railroads are.
—Topeka DAILY CAPITAL.

Geneva will be the meeting-place next February of fifty nations, each of whom is perfectly willing to disarm if all the other forty-nine will do it first.
—Dunbar's WEEKLY.

The only wages that will stand up under the blows of the depression are the wages of sin.
—B'nai B'rith MESSENGER.

A traveller who has just returned from the States says it is cheaper to live in Chicago than in London. But much more difficult.
—London PASSING SHOW.

Scramble for knowledge is getting serious these days. Teacher in Elgin, Illinois, suffered a fractured knee when run into by a student trying to make class on time.
—Cleveland NEWS.

Brazil plans to convert its poorest grade coffee into locomotive fuel. This is a tough break for London hotel-keepers.
—New York TIMES.

The duty of statesmen is to neglect no practical method of cooperation for the common good.
—Pierre Laval.

A writer says he once lived for three days on a tin of sardines. He must have been terribly cramped for room.
—London HUMORIST.

"A dollar," we read, "is worth 42 cents more than it was six years ago. This is probably due to the high cost of collecting it."
—LIFE.

PRONUNCIATIONS: von Hoesch (fon herseh—r is very faintly sounded), Sforza (Sfor'tsah), Fascisti (fa-shis'tee—a as in ran), Pilsudski (Pil-sud'skee—u as in full), Mustapha Kemal (mus'tah-fah kay-mal—u as in rule; a as in art), Jahnnke (jan'kee), Kvale (ke-vah'le).

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WEDNESDAY, NOVEMBER 11, 1931

REVIEW OF THE WEEK

SEVERAL elections were held on No-
vember 3, and they assumed an im-
portance unusual for the scattered con-
tests which occur on an off political year.
Selections were made to fill five vacancies
in the House of Representatives. The
significance of these choices lay in the
fact that they would probably decide the
control of the House for the next two
years. On the face of the returns last
year the Republicans had 218 seats, the
Democrats 216, and the Farmer-Labor
Party, represented by Paul J. Kvale of
Minnesota, one. There have been several
deaths since then. Five of the vacancies
were filled by last week's election, and there
are two more to fill. There will be an
election in a New Jersey district on De-
cember 1. The other vacancy will not
be filled until after Congress meets.

Last week's election resulted in the
choice of three Democrats and two Re-
publicans. Of particular significance was
the election of a Democrat, Michael J.
Hart, in a Michigan district which has
long been Republican. As a result of
these elections the House membership
now stands: Democrats 217, Republicans
215, Farmer-Labor 1, vacancies 2. If the
House were to organize this week the
Democrats would elect the speaker and
they would have control of the House of
Representatives during the coming session
of Congress. If, however, a Republican is
elected in New Jersey the first of next
month, and if Mr. Kvale votes with the
Republicans in the organization of the
House, and if all members who have been
elected are present at the opening session,
the vote for speaker will be a tie.

The fight for the control of the House of
Representatives is further complicated by
factional differences in the Republican
Party. The party is not agreed upon the
speakership. The two leading candidates
are Bertrand H. Snell and John Q. Tilson;
but a group of progressive Republicans
may possibly desert the party in its effort
to organize the House.

There have been threats to the effect
that unless the regular Republicans should

make important concessions to the con-
servatives regarding the support of legis-
lation in which the progressives are inter-
ested, this group might refuse to support
either Tilson or Snell. The Democrats
are united in the support of John N.
Garner of Texas for the speakership.

The scattered elections last week were
watched closely to see whether they might
afford an indication as to whether there
was a nation-wide swing to one party or
the other. With a presidential election
coming on next year, everyone is anxious
to know whether a decided change of po-
litical sentiment is under way. Of the
congressional elections, two were consid-
ered especially significant in this respect.
One was the election of a successor to the
late Speaker Longworth, in Cincinnati;
and the other was the election in the Mich-
igan district to which we have referred.
The Republicans won in Cincinnati by a
vote larger than that received two years
ago by Mr. Longworth. The Democrats won
in the Michigan district, which had been
a Republican stronghold. Consequently
no decided movement one way or the
other is shown by these elections. There
was a rather marked movement towards
the Democrats, however, in New Jersey
where A. Harry Moore was elected gover-
nor by a large majority. The Republicans
carried the state two years ago.

Interest in the New York election was
aroused owing to the apparent break be-
tween Governor Franklin D. Roosevelt,
the outstanding candidate for the Demo-
cratic presidential nomination, and former
Governor Alfred E. Smith, who was the
candidate three years ago. Smith vigor-
ously opposed a constitutional amendment
providing for the reforestation of non-
arable farm lands by the state. Roosevelt
supported it. The vote was looked upon
as a test of strength between the two men,
and the victory for the Roosevelt measure
by a large majority will no doubt add to
Governor Roosevelt's prestige.

Two elements in the political situation
will render politics particularly interesting.
One is the contest for the Democratic presi-
dential nomination which, despite Governor
Roosevelt's apparent advantage, is still
doubtful; and the other is the closeness of
the division between the two parties in both
the Senate and the House of Representa-
tives.

AN important meeting of railway labor
leaders was held last week in
Washington, and it resulted in a gesture of
coöperation by these leaders towards the
heads of the railway companies. Great
significance is attached to the expression
of such an attitude by the workers because
it indicates the possibility of a peaceful
adjustment of differences between railway
capital and labor.

The railway labor situation has been
somewhat threatening for several months.
The representatives of the companies
have declared that the roads could not
continue to pay the existing scale of wages.
They have said that they would be obliged

to call for a reduction of at
least ten per cent. Unless the
men voluntarily accepted this
reduction, however, there was
a possibility that a serious
situation might arise. The rail-
way unions with something like
1,250,000 members, are very
strongly organized. If they
should declare a strike, the rail-
ways of the country might be tied
up. The places of these workers
could not easily be filled, for
their work is of a highly skilled
nature and if untrained substitutes
were put into their places, there
would be a danger of train wrecks
and the loss of life and property.
These rail unions are the aristoc-
racy of labor. They have on past
occasions shown themselves very
powerful. So the prospect of a
conflict between the railway com-
panies and these highly organized
unions was an unpleasant one.

The railway unions are inter-
ested not only in maintaining the

present scale of wages, but in se-
curing stable conditions of em-
ployment. Their leaders say that
350,000 rail workers have already
been laid off. The union leaders
are anxious that some means be
worked out by which the jobs of
the workers may be made secure.
They say that the men who have
been put aside should be taken
back on some condition.

Now they are suggesting to the
executives of the rail companies
the possibility of a compromise.
They have asked for a conference
between the leaders of
the rail unions and of the com-
panies. The suggestion of the
workers is that they will discuss
with the company executives the
possibility of the acceptance of a
wage cut if the companies will
discuss means of giving employ-
ment to the rail workers. It will
probably take the railway execu-
tives a few days to decide upon
an answer to this suggestion, but the fact
that the workers made that sort of propo-
sition indicates that a peaceful settlement
of outstanding problems may be effected.

THE United States Department of
Commerce keeps in close touch with
business conditions all over the world.
American consuls or commercial attachés
are to be found in all large cities. These
officials send frequent reports about indus-
try and trade to the Department of Com-
merce. The department announced last
week that many of these reports are more
encouraging than they have been for some
time. There are evidences of trade revival
in a number of foreign countries.

In England particularly the situation ap-
pears to have improved, at least tempo-
rarily. The fall of the pound has had a
tendency to stimulate export trade. (See
THE AMERICAN OBSERVER, October 7.)
The coal, textile, and automobile trades
are showing gains. These industries are
very important in England, and their re-
vival is helping the unemployment situa-
tion. More men are still out of work than
a year ago, but unemployment has declined
during the last month. This revival of
trade in Europe, even though it has not
reached great proportions, is gratifying to
people of the United States. It is gener-
ally recognized that an improvement in
conditions abroad will help the situation in
his country. Under the conditions of mod-
ern trade and commerce, the economic
welfare of one part of the world is de-
pendent upon that of other regions.

The increase in the price of agricultural
products to which we refer in another col-
umn has given rise to the hope that better
business conditions may soon be experi-
enced in the United States. Thus far this is a
hope rather than a fact, for business cannot
be said to have shown actual improvement
in many lines. But here and there are in-
dications of higher levels for trade.

THE French prime minister, Pierre
Laval, has returned to his native land
more firmly entrenched in his position as
the leading statesman of Europe than ever
before. The consensus of opinion abroad
seems to be that M. Laval conducted him-
self in a most able manner while in Amer-
ica. He was enthusiastically received by
crowds of eager Frenchmen when he
reached Le Havre. The ensuing days were
busy ones for the French premier. He was
faced with the task of explaining to French
officials just exactly what had taken place
in Washington. He made an immediate
report of the conversations to the French
president, M. Paul Doumer, and the day
following his return he met Dr. Leopold
von Hoesch, the German ambassador.
This meeting between Frenchman and Ger-
man was a preliminary one to many which
are scheduled to take place. One of the
outstanding results of the Laval visit to
the United States was that any future
movement tending to alter or modify re-
parations and debts is to originate from
those European countries primarily con-



"I ALWAYS THOUGHT THERE WERE TWO BAGS"
—Fitzpatrick in St. Louis POST-DISPATCH

cerned. The construction placed on this
is that Germany will make the request
that some step be taken to take care of
reparations and debts after the expiration
of the moratorium year. But in making
this request, she will make it to France,
not to Great Britain or to the United
States, as was the case last June. France
is at present the undisputed mistress of
Europe. With reference to this particu-
lar development, Mr. Walter Lippmann,
writing in the New York Herald-Tribune
says:

The Hoover-Laval conversations in Wash-
ington had as their chief significance the rec-
ognition that in the determination of future
policy France's power gives her the initiative
in Europe, and that the initiative places upon
her the chief responsibility. The Germans
cannot afford to misunderstand or to under-
estimate this fact. It is the supreme fact
upon which they are compelled to base their
diplomacy. They are compelled to proceed
for a revision of reparations upon the estab-
lished and publicly recognized premise that
they must negotiate primarily with Paris, not
with London and with Washington. They are
alone, face to face with France.

A CLASH is taking place between the
government and officials of the island
of Haiti. Since 1916 the finances of that
territory have been under the control of
the United States. Each year, a budget
prepared by an American financial adviser
is presented to the Haitian government for
approval. This year, however, the budget
proposed by Sydney de la Rue, federal
agent, was refused by the president of
Haiti because it called for cuts in the sal-
aries of the government officials, amount-
ing to some 3 or 4 per cent.

The Haitian government offered to ac-
cept the plan if the American Marines who
are stationed there would take a similar
reduction. The State Department demurred
as these men are volunteers and were guar-
anteed a certain salary when they joined the
service. The State Department has demanded
immediate acceptance of the budget and
has threatened to stop entirely the salaries
of government officials in Haiti unless they
comply with its request.

AS November 16, the date set by the
League of Nations Council for the
evacuating of Manchuria by the Japanese,
the prospects of a satisfactory agreement
are not bright. The Japanese declare that
further military operations seem necessary.
They say that guerrilla bands of Chinese
are making raids upon the Japanese and
that the lives of Japanese and Korean
residents in Manchuria are unsafe. There
are reports that the Russians are assem-
bling troops in the neighborhood of Man-
churia with a view to the protection of
their interests in that province, but there
has been no clash between the Russians,
on the one hand, and the Japanese or
Chinese, on the other. Meanwhile eco-
nomic activity in Manchuria is almost at a
standstill. The provincial government has
issued paper money in such quantities that
it is almost worthless and this renders the
carrying on of trade very difficult.



THERE'S MANY A SLIP—!
—Talbert in Washington News

THE LIBRARY TABLE

PROBLEMS OF FINANCE

Many problems of national, state and local politics are of passing interest and importance. A few remain from year to year and from decade to decade as the outstanding questions on which citizens are called upon to pass judgment. One of these ever-present problems is that pertaining to the raising and spending of public money. In one form or another it stands before the voters of every municipality and every state, and it never fails of a place among our national issues.

It is essential, then, that well-informed citizens understand the problems of public finance. Any book which deals clearly and adequately with these problems, as complex as they are urgent, is welcome. And in that category "American Public Finance and Taxation" by William J. Shultz (New York: Prentice-Hall. \$5.00) deserves a place.

This book is intended primarily as a text for college classes in finance and taxation, but it will have an appeal for the general reader who is concerned with the problems of citizenship. Furthermore, its material is so clearly and simply presented that it can easily be comprehended by high school students. As a reference work for their use it might well have space on the library shelves of any secondary school.

"American Public Finance and Taxation" deals adequately with the entire field of public expenditure, public borrowing and public taxation. The method is to present the facts relative to any problem, such as a particular form of taxation. Following that there is a discussion of the theory involved, and if the question at issue is controversial there is a fair statement of different points of view. The author does not hesitate to state his own position. For example, if he believes that corporation taxation is on the whole a bad policy, he says so. He declares, furthermore, that the excess profits tax "has no place in a peace time tax system," and he declares against the use of death taxes as a means of equalizing wealth. His position is in general that of the conservative economist on controversial questions. Perhaps the book would be somewhat more valuable as a text if expressions of personal conviction were absent. The positions taken are, however, reasonable and are fairly stated.

A feature of the book is the exposition of the legal problems connected with taxation. In every section of the book, along with the consideration of economic prob-

lems relating to the raising and spending of money, the questions of legality and constitutionality which arise are carefully explained. This, together with the unusual clarity of style and the wealth of reference material, marks the book as one of the best single volumes to be found on national, state and local finance and taxation.

DICTATORSHIPS

Count Carlo Sforza, who was foreign minister of Italy during the period following the war and previous to the overthrow of the government by the Fascists under Mussolini, has written a book on "European Dictatorships" (New York: Brentano's. \$3.00). As Colonel House suggests in his foreword, Count Sforza is a man eminently qualified to describe the dictatorial governments of Europe, for he is well acquainted with most of the prominent characters and understands the problems of diplomacy. The book was written this year, previous to the Spanish revolution, so it includes Spain among the dictatorships, the other countries being Italy, Hungary, Yugoslavia, Poland, Russia and Turkey.

This is not the best book for the beginning student of contemporary European history for the author presupposes considerable knowledge of the situations which he discusses, but one who has a fair understanding of the facts involved will find Count Sforza's interpretations very illuminating. Particularly interesting is his refutation of the notion so commonly held that Italy was on the brink of Communist revolution and disaster in 1922 and was saved from that fate by the coming of Fascism. He contends that the liberal government of Italy was setting the Italian house in order before Mussolini and his Blackshirts took charge. He believes that the great mass of the people oppose Fascism and that sooner or later it will fall.

DETECTIVE FICTION

There is no getting away from the fact that detective and mystery stories have a tremendous appeal. They attract all classes of readers. Many of our most noted statesmen and scientists are free to say that they like the relaxation which comes from a stimulating detective story. The trouble is that there is an immense amount of trash published to meet the demand for mystery and detective fiction. It seems worth while, then, that when an especially good detective yarn appears it should be pointed out to prospective readers. For

that reason we are glad to commend "The Dutch Shoe Mystery" by Ellery Queen (New York: Frederick A. Stokes Company. \$2.00).

There is nothing gruesome about this story, but it is full of thrills. The situation is both complex and plausible. Many clues are present but we imagine few readers will guess in advance the solution of the puzzle. In our judgment "The Dutch Shoe Mystery" represents detective fiction at its very best.

A THREAT TO MANKIND

As Dr. L. O. Howard, former chief entomologist of the United States Department of Agriculture, sees it, a relentless struggle for the mastery is going on between the human race and insects. The insects came into existence first. Their tenure on the earth is of much longer duration than that of man, and they are finely adapted for survival because of their small size, their power of concealment, their swiftness of motion and the nature of the bodily covering. They compete with man for food. In many cases they destroy his means of subsistence. They carry disease and come into conflict with him in many other ways. This age-old struggle between the two forms of life is not softening. It might be thought that man, because of his great intelligence, would be able to conquer such a foe. As a matter of fact, thinks Dr. Howard, events are running in the opposite direction. Insects are more plentiful, he says, than ever before. They appear to be gaining in their warfare on the human race and unless more effective measures are taken to combat them, they may impair human civilization.

These ideas are given expression in a very valuable new book by Dr. Howard, "The Insect Menace" (New York: Century Company. \$3.50). It gives a history of insect life on the earth. It explains why the type has persisted and describes the nature of the problem with which the human race is confronted because of insect pests. The book concludes with chapters which tell of efforts which are being made to overcome the insect menace. There is a brief history of three great raids upon humanity which insects have made, with an account of the way each was combatted. These three incursions were those of the Western grasshopper, or Rocky Mountain locust, 1873-1876; the Mexican cotton boll weevil, from 1894 to date; and the Mediterranean fruit fly in Florida in 1929.

"The present situation is by no means desperate," says the author in his concluding para-



POLYNESIAN NIGHT

An illustration from "The Pacific" (Crowell) by the author, Stanley Rogers.

graph, "but it is exceedingly bad, and will rapidly become worse if we do not give it much more serious attention. By no means do I think that the human race will go down in defeat before the insects; but it will be obliged to drag out an age-long conflict if it does not realize the danger and does not try to learn absolutely everything about every species of injurious or potentially injurious nature. It is an enormous task that we have before us, but the collective mind, once turned definitely in this direction, will undoubtedly be victorious."

THE PACIFIC

Perhaps no part of the globe so definitely suggests romance and adventure as does the Pacific Ocean and the lands whose shores it washes. These are, for the most part, strange lands—the Orient, the islands of the South Seas. These regions may be well known to the peoples of America and Europe a few decades from now. But in the past they have been scenes of adventure and of wild exploits. They have been touched by explorers and visited by romance seekers. Parts of them, as China and Japan, have been closely related during recent years to our modern civilization. But the Pacific as a whole seems an escape from the realities of our western civilization.

A very interesting story of this ocean and the lands it touches has been told by Stanley Rogers in "The Pacific" (New York: Thomas Y. Crowell Company. \$2.75). The author has illustrated it most attractively.

In this volume we read of the Pacific navigators; of the Spanish, the Dutch and the English. We find again the story of Captain Cook. We are thrilled by tales of the privateers such as Sir Francis Drake, and of the pirates. There are descriptions of Polynesia. There is a history of shipping on the Pacific and of noted shipwrecks.

There is romance and adventure in this book—something quite worthwhile in a world which has gotten too far away from them—but there is more than that. There is information about a region which will no doubt play a larger part in the world during the coming years than it has ever done before. "The Pacific is the ocean of the future," says the author. "The prediction that future world affairs will center in the Pacific was made 75 years ago by a great statesman, and, though it has not yet been fulfilled, it must inevitably come to pass."



© Rural Life Photo

FIGHTING THE INSECT MENACE

Department of Agriculture field men are shown here dusting cotton to kill boll weevil on a Georgia farm.



THIS seems an appropriate time to supply a little background material which may be of assistance in the understanding of cabinet crises in foreign countries and political situations such as that presented by the recent British election. This topic may serve as a means of correlating the work of American history, civics, and European history classes with certain contemporary events.

Students of American history and civics are, of course, familiar with the fact that a cabinet as we know it has no place in the Constitution. The Constitution does indeed declare that the president may "require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices." It, therefore, assumes that the administrative work will be divided into departments, each of which will have a head. Congress has created such executive departments. At first there were four—the department of state, presided over by the secretary of state; the department of the treasury, with a secretary; and also the department of war with a secretary, and the department of justice presided over by the attorney-general. A secretary of the navy was added in 1798, and since then other departments have been created until now there are 10. Washington appointed heads of the four departments irrespective of the political views of the appointees. He did not consider the heads of these departments as constituting a cabinet or a group of counselors who, together with himself, would make up an administration which would determine the political policy as well as the administrative affairs of the nation. It came about, however, that the heads of the departments were selected from among the political supporters of the president. They became counselors with respect to general policy and not merely administrative officers, each looking after his own department.

The president is not obliged to heed the advice of a cabinet member. The members of the cabinet are responsible to him and not to Congress. Their acts are his acts. He is responsible to the people of the country for the conduct of his office, and the heads of the departments which compose what is called the cabinet are his assistants and advisers. The cabinet members resign when the term of the president is over. They do not resign when they and the president are not in harmony with the majority in Congress.

A cabinet in the European sense is very different. Let us take as an example the British cabinet.

The Cabinet System

At the head of the cabinet, or the ministry, is the first minister—the prime minister—or, as he is often called, the premier. His position is, in some respects, like that of the American president. He is, however, a member of parliament, and usually a member of the House of Commons. He is appointed by the king but, as a general thing, the king's action is merely formal. He usually has no voice as to whom he shall

appoint. He must appoint the man who is the leader of the most powerful party in the House of Commons. At least, he must appoint a man who, together with his cabinet, can put legislation through the House of Commons.

There is no law in Great Britain which declares that the king must appoint the majority leader in the House of Commons as the prime minister. But let us see how, as a matter of fact, he is obliged to do that. Let us suppose that King George should decide to appoint David Lloyd George as the prime minister. Lloyd George has the support of only four or five members of the House of Commons, but he has been a great figure in English political life. We will assume then that King George names him as the prime minister and that he appoints a cabinet of his friends provided there are enough of them in the House of Commons to fill the various executive departments.

Members of the cabinet in Great Britain, it will be remembered, have seats in Parliament. They introduce all the important bills. So we will assume that Lloyd George and his cabinet introduce into the House of Commons an important piece of legislation. It will, of course, be voted down overwhelmingly. Then, according to long-standing precedent, the cabinet will have to resign because the rule is that the prime minister and his cabinet shall either resign when the House of Commons turns against them or else ask the king to dissolve Parliament and call a new election. It will do no good, then, to appoint Lloyd George as prime minister. He could not get legislation enacted. As there must be a functioning government at all times, it must be one which can secure legislation. The king then will be obliged to appoint someone else. Suppose he appoints Ramsay MacDonald or Stanley Baldwin. Either one of them apparently could name a cabinet which would be popular enough

with the majority in the Commons and sufficiently in harmony with the majority so that the members could get their legislation enacted into law. Thus the government would operate. It is easy to see, therefore, that the king is obliged to appoint as the prime minister a man who can work in harmony with a majority of the House of Commons.

Ordinarily, there is only one man who will fill the bill because, as a usual thing, the majority party has its leader and it would insist that that leader receive the appointment. It happens occasionally however, that any one of several men might fit into the position. If there are

Influence of the King

three parties, no one of which has a majority, a majority in working out legislation must be secured by some kind of compromise, and the king now and then has quite a little power in talking things over with the leaders and using his influence to have them agree upon someone whom enough of the factions will support so that a majority may be obtained. A popular king, such as the present sovereign, thus has at times considerable influence.

When a party comes into power with strong support from the people and with a majority in the House of Commons, things may go smoothly for some time. The prime minister appoints the members of the cabinet. He and the other members sit in Parliament, introduce all important legislation and carry it through. They govern the country. They are known as "the government" and all goes harmoniously. After a while, perhaps a new issue will appear and will divide the party. The prime minister and his cabinet then introduce a measure dealing with the problem and it fails to get a majority. Or perhaps no bill is introduced but it may be that

the leader of the opposition party will introduce a motion into the House of Commons, declaring that the House no longer has confidence in the prime minister and his cabinet, or in the "government" and this motion may carry. In a case like this, the prime minister may resign. He will certainly do so if he thinks it is likely that the voters of the nation are not on his side. When he resigns, the king will call in the leader of the opposition who now probably has a majority of the Commons and will ask him to "form a government," or to appoint a cabinet and take charge of things. The leader of the opposition does so and if he is supported in a test vote in the Commons, he goes ahead running the government.

We have said that the prime minister might take one of two courses and that he might resign. But suppose he felt that if, on this particular issue, the case were put up to the people of the country they would support him and not the majority of the House of Commons, he might advise

When a Cabinet Falls

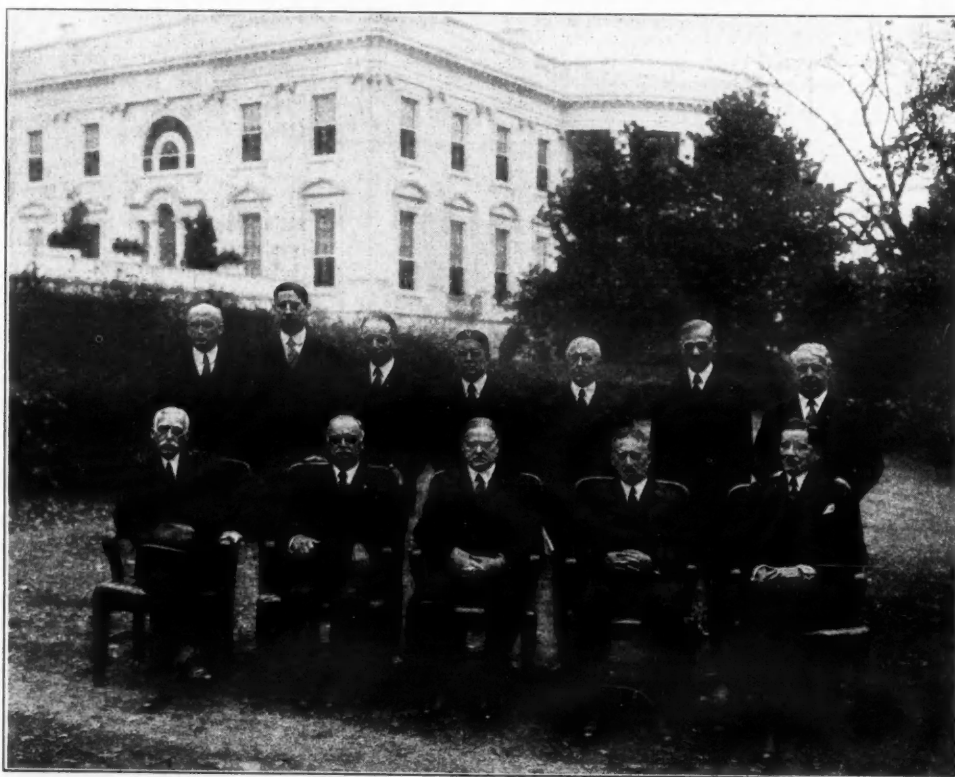
the king to dissolve Parliament and call a new election. The king would do this, for he is obliged by precedent to act in such a case as the prime minister advises. Then the election is held and if in the election the party of the prime minister receives a majority, he holds his position and he can get his measure through this new Parliament. If, on the other hand, he is defeated, then he resigns and the new government is created.

Sometimes a prime minister and his cabinet do not wait for an adverse vote in the House of Commons to resign. This fall, the Labor government, headed by Ramsay MacDonald, resigned not because there was an adverse vote, but because it had become apparent that the party it represented was divided and that it no longer commanded the confidence of Parliament.

A cabinet sometimes resigns or calls a new election even when it retains a majority in the Commons. It may do this when it has become apparent that there is great dissatisfaction in the country and when there is strong evidence that a majority of the voters may no longer support the party in power.

The British system is then a very flexible one. It runs according to custom rather than according to hard and fast law. One might think that there would be a great deal of trouble and that it could not easily be determined under what circumstances a particular cabinet should resign. But as a matter of practice, the system works very well in any given case.

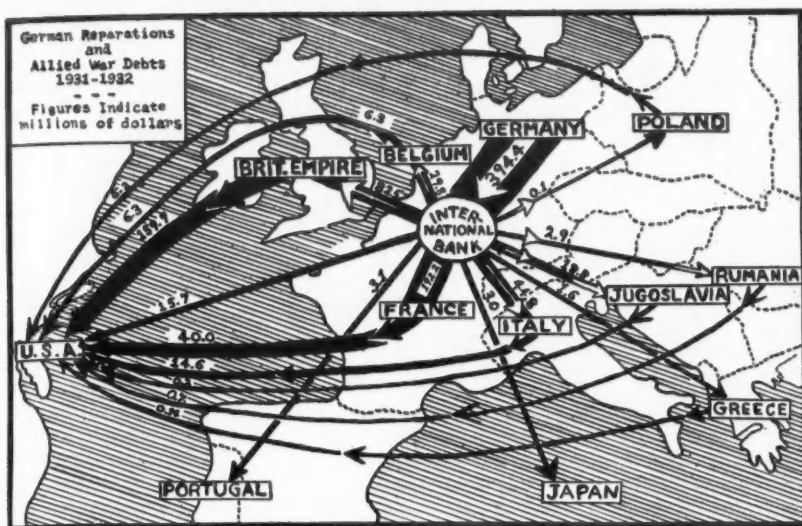
It is commonly said that the American system of government makes for stability, while the British system provides a means whereby the government may be kept closer to the will of the people. In this country, Congress, the president and the cabinet stay out their terms regardless of circumstances. Thus we have stability. A British government may fall at any time, but the attendant elections give the people a chance to express themselves. Each system has advantages and disadvantages, and each has been copied by other nations.



PRESIDENT HOOVER AND HIS CABINET

© Henry Miller

This picture was taken last year, before James J. Davis retired as Secretary of Labor to be succeeded by William N. Doak. Photographers have tried repeatedly to get a later picture but have thus far failed to get all the members together at the same time. From left to right they are (sitting) Andrew Mellon, Vice-President Charles Curtis, President Herbert Hoover, Henry L. Stimson, Patrick J. Hurley; (standing) Robert F. Lamont, Dr. Raymond Lyman Wilbur, William Devitt Mitchell, Walter E. Brown, Charles Francis Adams, Arthur M. Hyde, James J. Davis.



—Adapted from F.P.A. map of reparations payments
WHAT THE MORATORIUM DID FOR EUROPE

These payments originating in Germany and distributed to the various countries concerned would be made but for the Hoover debt postponement plan. European statesmen are now looking to the conclusion of agreements to meet conditions following the expiration of the moratorium.

THE WORLD AT PEACE FOR THIRTEEN YEARS

(Concluded from page 1)

As we look back over the years we see that neither the brightest hopes nor the direst fears entertained at the close of the war have been realized. Let us consider first the fears. In most of the countries of the world the returning soldiers were absorbed by industry. This was not universally true. England has had a serious unemployment problem at all times since the war, but in Germany and France and the United States and Russia work was found for the men, and even in England the discontent and disorder which the gloomy prophets of 1918 predicted have not occurred—at least not yet.

Of course, there is unemployment and distress throughout the world today, and it is to a considerable extent a direct result of the war. We shall refer to that later on, but the fact remains that adjustments were made so that an immediate collapse did not occur. And taking into account the very real possibilities which appeared to thoughtful observers in 1918, the temporary adjustment following the war was a real achievement.

It is also true that the world was not overwhelmed by Communistic revolution. The Communists have maintained control in Russia. They have made very great changes in the lives of the Russian people, but the experiment does not arouse in other peoples the same sense of horror that it did thirteen years ago. Conditions in Russia have become much more stable. Economic activities have been resumed in new ways. Progress has been made in production. Conditions of living are not so pleasant as they are in western Europe or America, but they are probably more satisfactory than they have ever been in Russia. The threat that Communism would spread from Russia and overwhelm the other nations seems weaker than it did at the close of the war. The leaders in Russia are less insistent upon carrying their experiment beyond their own borders. The other nations have to a considerable extent adjusted themselves to the fact of socialistic rule in Russia, and have come to terms with the new régime.

The last thirteen years have been years of revolution in many lands. As our map on page three indicates, dictatorships have been established in a number of nations. Recently nearly the whole of South America has been

swept by revolt. The leading nations, however,—the United States, Great Britain, France, Germany, Italy, Russia, Japan—have governments which are functioning normally and which appear at least fairly stable.

Hopes Are Dimmed

Now, the fears—that is, the worst of them entertained in 1918—have not been realized. But neither have the most extravagant hopes. The world has not entered upon a period of prosperity. There were a few prosperous years, but the apparent prosperity was abnormal and in the nature of the case could not continue. Two years ago most of the nations crashed into one of the great depressions of history. The present period of adversity is definitely connected with the World War. To a very considerable degree it is a product of that conflict, as Dr. Moulton pointed out in the address published in *THE AMERICAN OBSERVER* last week. Those who are hurt by the present hard times, and few people have escaped the injurious consequences, are paying the price of the war. There is no getting around that fact. (For a further exposition of this point see *THE AMERICAN OBSERVER*, November 4.)

Disarmament Deferred

The hope that the crushing of German militarism, with its threat to the other nations, would result in general disarmament, has not come true—not yet. Germany was required by the treaty of peace to disarm, and she is still obliged to remain unarmed. But the nations which won the war have not reduced their armaments. It turns out that Germany was not after all the only disturbing influence. The late victors are suspicious of each other. There have been a number of conferences on arms limitation. Some progress has been made toward the limitation of naval armaments. A general arms limitation conference is to meet in Geneva in February to work out plans by which all sorts of armaments may be reduced. There is no need to

prophesy concerning the results of that conference. The coming months will bring us the facts.

We come now to one of the gravest of the problems which were produced by the war—the problem of reparations and international debts. We have had occasion to discuss reparations and debts in *THE AMERICAN OBSERVER* before. It will be necessary for us to refer to the subject again and again, for the debt issue is one of the thorniest with which the statesmen of the world have to deal.

The Reparations Problem

In main outline and avoiding all details, we may say that Germany was forced by the victors to assume responsibility for the war, and upon her was placed the burden of repaying the victor nations for the destruction wrought by the military operations. It was recognized at once that the whole amount could not be paid by Germany or any other nation, and so by a series of agreements following the war the amount of reparations for which she was called upon was made to accord with her assumed capacity to pay. For several years she borrowed the money from other nations, largely from investors in the United States, and paid this money back to the formerly allied nations. They owed the United States money they had borrowed to carry on the war, and they turned over to this country a large part of the reparations money they received from Germany. This process by which money flowed from the United States in the form of loans to Germany, thence to England, France and Italy in the form of reparations, and back to the United States again as payment on the various national debts, continued until last summer. Then Germany's credit broke down. She could no longer borrow and consequently could no longer pay reparations.

As Matters Stand Now

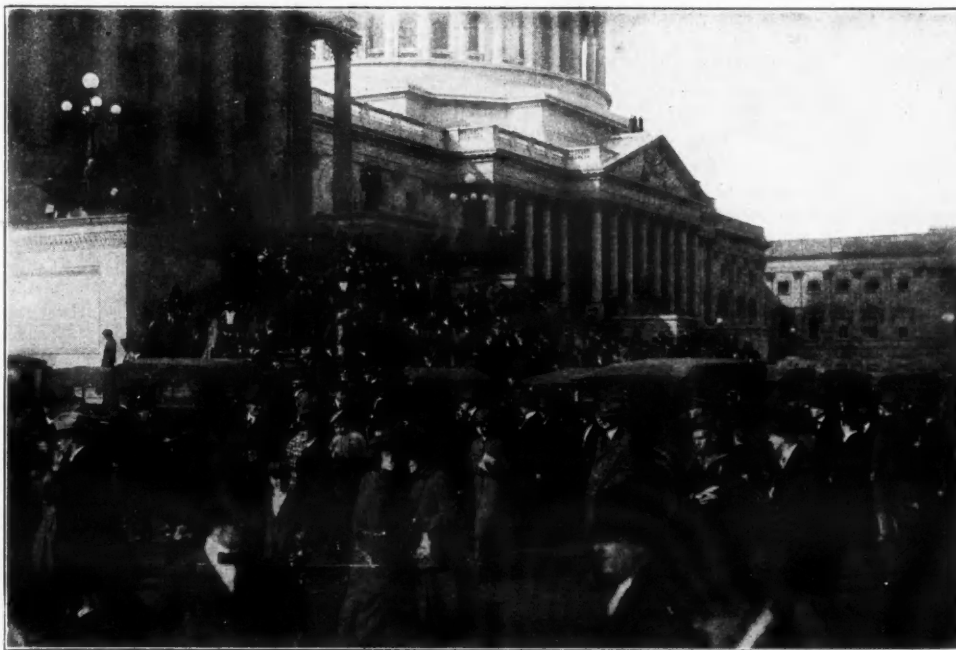
At this point President Hoover stepped in and proposed a year's moratorium—a year's breathing spell during which time Germany should be excused from paying reparations, and the other nations should be excused from making payments on their debts. That year expires the first of next July. There is no prospect that Germany will be better able to make payments after that time than she was last July.

Under the circumstances it is assumed that some arrangement will have to be made for meeting the reparations situation before the new crisis arises next summer. President Hoover and Premier Laval talked about this problem during the premier's visit to the United States last month. It was agreed that some proposal should be made by one of the nations most interested in reparations, and it was further agreed that the United States government would cooperate with these nations in working out a solution.

Such is the status of the reparations problem at present. One of the significant developments of the last few months is the recognition by our government for the first time that the problems of German reparation payments and of the payments by Germany's creditors to the United States are connected. Our government had maintained that we had no direct concern with reparations; that the debts which France, England, Italy and the other countries owed to us were in no way related to the debts which Germany owed to them. We had said that if Germany ceased paying reparations, the debts owed to us by Germany's creditors would not be affected. Our government now acknowledges that the amounts we can collect from those who are in debt to us will depend upon the amounts they can collect from Germany. It is this new policy on the part of our government to which the cartoon on page four refers.

THE AKRON

The giant dirigible, *Akron*, recently commissioned as a navy vessel, has completed successfully all the tests put to it by government officials. Its first long cruise over the large cities of the east showed that it functioned perfectly, and its master, Commander Rosendahl, expressed great satisfaction with it. This ship, the largest yet built, is 785 feet long, with gas capacity of 6,500,000 cubic feet. Last week, it broke the record for number of passengers transported when it went aloft with 207 persons, crew included. The former record was held by the *Dornier-X* twelve-motored seaplane, which had carried 169. The *Akron* has a maximum air speed of eighty-three miles per hour with a cruising radius of 10,000 miles.



ARMISTICE DAY 1918

© Harris & Ewing

This picture shows the crowds of people gathered about the U. S. Capitol when the first Armistice Day took place. Thirteen years have passed since that memorable event but Armistice Day remains as a vivid reminder of the terrible conflict which brought widespread suffering to so many nations.

Progress of American Education Observed by Schools This Week

Problem of Education in U. S. Is Growing Serious; American Legion and National Education Association Appeal for Public Support of Schools.

Last Monday opened the 1931 observance of American Education Week. Schools all over the country have extended invitations to the public to come and visit classes, and attend the many functions planned for the week. Local citizens of prominence are lending their services to the schools by giving informal talks and according interviews. Students are exhibiting their handicraft by designing posters on subjects befitting the occasion.

American Education Week is the result of an initiative taken by the American Legion. Many of the officers and men in this organization found during the war that numerous young men who served were unable to read or write; their ignorance of fundamentals was alarming. Accordingly, the Legion set about to change this state of affairs. They consulted with the National Education Association, and after two years of careful planning, they launched the first "American Education Week" in 1921, with the aid of the United States Office of Education, a branch of the government service. Its purpose was to "interpret to the public the aims, needs and achievements of the schools."

Education has made rapid strides in the past few decades. There are twice as many high school students at present as there were in 1920. For every high school student in 1870, there are 64 today, attendance having doubled every ten years since that time. Similar advances have been made in grammar schools and colleges.

This increase in school attendance, although contributing to a higher standard of culture, presents a rather knotty problem in the financial field. Out of the 24,000,000 grammar school students, it is estimated that 55 per cent will enter high school. Thus there is a tremendous number of children yet to be cared for. But such development costs a great deal of money. The present educational system absorbs \$2.00 out of every \$5.00 spent by state and city governments throughout the United States; this is a large percentage, and it may prove extremely difficult to find the necessary funds. It is probable that a revision of our whole system of taxation may have to take place.

On the other hand, the problem of expanding education itself is of prime importance. The fact that only slightly over half the children in grammar school today will receive high school training is a thing which is occupying the attention of educators all over the country. This is an age of specialists, of people highly trained in one particular line of work. An elementary school education is insufficient today to provide a man with the necessary mental equipment to carry on his life's work with success.

Lastly, the conditions in present school systems are the source of considerable worry to state and local administrators. In many places, the schools are already inadequate to accommodate the pupils; classrooms are overcrowded, and teachers are overworked. Often lessons must be given in temporary buildings, poorly heated and poorly lighted. The strain of work-

ing under such conditions, both for the teacher and for the pupil, is clearly not beneficial to either.

There are, it appears, two sides to the educational problem in the United States. On the one hand, there is the necessity, as leading educators see it, of arousing the public to the importance of bringing educational opportunities to all the boys and girls of the nation—

for an increase in the rate of postage on first-class mail. It is the desire of Postmaster General Walter F. Brown to raise the present rate of two cents an ounce to two and a half cents. This slight increase, which would not be a great burden to any one, would help vitally, it is felt, to offset the existing deficit. Up to the present, few objections have been registered to the proposed increase. Many people have expressed their views that a three cent postage rate would not be excessive. The favorable reaction in New York is considered particularly significant as one-eighth of the total revenues of the Post Office Department are derived from the mails of that city. Most of the business interests of New York have given whole-hearted support to Mr. Brown's recommendation.



Courtesy of the N. E. A.

THE NATIONAL EDUCATION ASSOCIATION BUILDING, WASHINGTON, D. C.

the importance of wiping out illiteracy and of giving all worthy young men and women the opportunity to secure as much training as they can profitably receive. This part of the problem is receiving the major part of the attention of those who are behind the Education Week program. The other part of the problem, thus far quite generally neglected, is that of devising the means of raising the money to pay for a constantly enlarging educational program. It is commonly realized that many communities have gone about as far as they can in the way of raising taxes. But there are great injustices and inequalities in our tax system. A tremendous proportion of the wealth of the country pays no taxes at all. If forms of taxation could be devised so that the burden would be equalized, new sources of revenue would appear. The problem of education and its expansion is thus inextricably interwoven with the problem of public finance.

HIGHER POSTAL RATES

Confronted with an increasing deficit every year, the Post Office Department of the government has started agitation

During the past 80 years, the Post Office Department has been operating at a loss. In that period only ten years show a surplus at all. A three cent rate on first-class mail was charged during most of the years which do not show a deficit. The loss which has existed for so many years has been made up from the general funds of the treasury which means that the taxpayers of the country have been obliged to make up the difference. Mr. Brown is of the opinion that it would be much more just to have those who receive the benefits pay for the costs of the service.

Three railroads inaugurated a new method of competing with truck competition last week. The Pennsylvania, Baltimore & Ohio, and Central of New Jersey lines started a service of transportation whereby loaded truck chassis may be placed on flat cars and taken to their destination at a cost lower than if they were trucked all the way. There is no charge for loading and unloading. In this way, trucks may drive to the station, cranes will take the body from the truck and place it on the railroad car; at the other end, the reverse process is followed.

Prices Advance; Optimism Grows

Wheat, Cotton, Oil Show Encouraging Upward Trend

The month of November was ushered in with a spirit of rejoicing in the agricultural sections of the country. The wave of pessimism which has prevailed for many months was replaced by an optimistic attitude occasioned by a sudden upward turn in the price of grain, oil and cotton. Wheat, the low price of which has been a matter of grave concern not only to the farmer but also to government officials, business leaders and the country at large, showed the most decided increase. At the end of last month, the price soared to 66 cents a bushel, an increase of 40 per cent in the four-week period. Oil prices, which have caused serious disturbances throughout the producing states for many months, rose 15 cents a barrel and reached 85 cents, the highest price it had attained for more than six months. Corn and cotton followed with important advances although not so marked as those of the other commodities.

One of the fundamental causes for the rise in wheat prices lies in the European situation. Russia, which has been supplying many of the countries abroad with considerable quantities of wheat, is reported to be unable to fill as many orders as were anticipated. In fact, she has requested the return of several million bushels of wheat which had already been shipped to the British markets. This has, of course, led many of her customers to place their orders with the United States. It is expected that France, Germany, Italy as well as other less important countries, will soon make large purchases of wheat in America.

The condition looked so hopeful last week that predictions were made to the effect that the price of wheat would continue to soar until it should reach \$1.00 in Chicago, the grain market of the United States. Many well-informed people both in private business and in government circles look upon this trend as one of the most healthful signs the country has seen in many months. It was stated in Chicago that the advance in the price of wheat and corn might "light the way back to general prosperity."

The low price levels to which wheat sank during past months have placed many farmers in a precarious position. They have found it impossible to grow wheat at a profit. Rather than sell at a loss, many of them have been using their grain to feed livestock. Others have been storing huge quantities on the farms. It is estimated that more than 400,000,000 bushels of wheat are now stored on American farms. This is the largest amount ever known in history. If the price is maintained at the present or higher levels, farmers will be able to sell their grain at a profit, or at least break even on the cost of production.

The Dupont Company, controller of several eastern industries, has announced that a new type of artificial rubber will be produced on a commercial scale in the near future. After years of experiments, Dupont chemists have succeeded in developing "duprene," as it will be known, a product which requires as raw materials coal, limestone, salt and water—all abundant in the United States.